

## ORDINANCE NO. 920-23

### AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLYTHE, CALIFORNIA, AMENDING CHAPTER 5.10 (COMMERCIAL CANNABIS ACTIVITY) OF TITLE 5 (BUSINESS LICENSES AND REGULATIONS) OF THE BLYTHE MUNICIPAL CODE RELATING TO COMMERCIAL CANNABIS ACTIVITY IN THE CITY

The City Council of the City of Blythe hereby finds and declares as follows:

**WHEREAS**, the City of Blythe, pursuant to its police power, may adopt regulations to protect the health, safety and welfare of the public; and

**WHEREAS**, pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the California Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”), the Adult Use of Marijuana Act (“AUMA” also known as Prop 64) and subsequent state legislation and/or regulations regarding same, the City of Blythe is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial cannabis businesses; and

**WHEREAS**, on June 13, 2017, the City adopted Ordinance No. 883-17, which added Chapter 5.10 (Commercial Cannabis Activity) to Title 5 (Business Licenses and Regulations) and Chapter 17.63E (Commercial Cannabis Related Uses and Activity) to Title 17 (Zoning) of the Blythe Municipal Code regarding commercial cannabis activity and related zoning designations; and

**WHEREAS**, since the adoption of Ordinance No. 883-17, the California Department of Cannabis Control (formerly known as the Bureau of Cannabis Control) has issued and updated regulations utilizing terminology that differs from that utilized in Chapter 5.10; and

**WHEREAS**, state law has also clarified that cultivation and related uses by collectives and cooperatives are subject to the provisions of and are regulated by state law, including the regulations of the Department of Cannabis Control, and that the same state and local licensing and permitting provisions as for other cannabis uses apply to collectives and cooperatives; and

**WHEREAS**, the City Council desires to amend Chapter 5.10 for consistency with state law for the licensing and permitting of commercial cannabis businesses; and

**WHEREAS**, the City Council desires to clarify the procedures relating to transfers of commercial cannabis business permits and the criteria for determining individual and corporate ownership interests in commercial cannabis businesses in order to prohibit permittees from effectively transferring ownership and control of cannabis businesses

without first complying with these procedures, including but not limited to the requirements for criminal history background checks; and

**WHEREAS**, the City Council also desires to implement regulations relating to deliveries that are permitted in connection with licensed storefront retailers; and

**WHEREAS**, the City Council also desires to make other revisions to Chapter 5.10 as set forth herein, and to provide a time period for lawfully existing and operating commercial cannabis businesses come into compliance with the amended operating requirements for retailers that engage in delivery as set forth herein; and

**WHEREAS**, this Ordinance has been reviewed for compliance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines. The Ordinance has been found to be exempt pursuant to CEQA Guidelines Section 15061(b)(3) (General Rule) because it can be seen with certainty that the Ordinance will not have a significant effect on the environment; and

**WHEREAS**, all legal requirements prior to the adoption of this Ordinance have occurred.

**NOW THEREFORE**, THE CITY COUNCIL OF THE CITY OF BLYTHE DOES ORDAIN AS FOLLOWS:

**SECTION 1. Recitals.** The City Council finds that the recitals set forth above are true and correct.

**SECTION 2. Amendment to Chapter 5.10 of Title 5.** Chapter 5.10 (Commercial Cannabis Activity) of Title 5 (Business Licenses and Regulations) of the Blythe Municipal Code is hereby amended in its entirety to read as follows:

## **Chapter 5.10 COMMERCIAL CANNABIS ACTIVITY**

### **5.10.010 - Purpose and intent.**

It is the purpose and intent of this chapter to accommodate the needs of medically-ill persons in need of marijuana for medical purposes, as advised and recommended by their health care provider(s), and to implement the Control, Regulate and Tax Adult Use Marijuana Act (hereinafter "AUMA"), which was passed by the voters of California and more specifically the voters of Blythe, while imposing regulations on the use of land to protect the city's neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this chapter to regulate the cultivation, manufacturing, processing, testing, transporting, delivery, and distribution of medical/nonmedical cannabis and medical/nonmedical cannabis-related products in a manner which is responsible, which protects the health, safety, and welfare of the residents of Blythe, and to enforce rules and regulations consistent with state law. In part to meet these objectives, an annual permit shall be required to own and/or to operate a commercial cannabis business within Blythe. Nothing in this chapter is intended to authorize the possession,

use, or provision of cannabis for purposes which violate state or federal law. The provisions of this chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the city, and are in addition to any permits, licenses and approval required under state, county, or other law.

#### **5.10.020 - Legal authority.**

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, and the provisions of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”) (which combined the Medical Cannabis Regulation and Safety Act (hereinafter “MCRSA”) and AUMA), the city is authorized to adopt ordinances that among other matters establish standards, requirements and regulations for local licenses and permits for medical/nonmedical cannabis and medical/nonmedical cannabis-related activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the city to medical/nonmedical cannabis and/or medical/nonmedical cannabis-related activity.

#### **5.10.030 - Cannabis cultivation and commercial cannabis business activities prohibited unless specifically authorized by this chapter.**

Except as specifically authorized in this chapter, the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, dispensing, distribution, delivery, or sale of medical/nonmedical cannabis or medical/nonmedical cannabis product is expressly prohibited in the city.

#### **5.10.040 - Compliance with laws.**

It is the responsibility of the owners and operators of the commercial cannabis business to ensure that the business is always operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this chapter shall be construed as authorizing any actions which violate federal, state or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and the operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis business permit. Nothing in this chapter shall be construed as authorizing any actions which violate federal or state law regarding the operation of a commercial cannabis business.

#### **5.10.050 - Definitions.**

Unless otherwise defined herein, the words used in this chapter shall have the same definitions ascribed to them in Division 10 of the Business and Professions Code. Any

reference to California statutes includes any regulations promulgated thereunder, including, but not limited to, the regulations issued by the Department of Cannabis Control, and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

- A. "Cannabis" means all parts of the cannabis sativa linnaeus, cannabis indica, cannabis ruderalis, or any other strain or varietal of the genus cannabis that may exist or hereafter be discovered or developed that has psychoactive or medicinal properties, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, "cannabis" does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- B. "Cannabis concentrate" means manufactured cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. An edible medical/nonmedical cannabis product is not considered food, as defined by Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.
- C. "Cannabis product" means a product containing medical or nonmedical cannabis, including, but not limited to, concentrates and extractions intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California Health and Safety Code (as the same may be amended from time-to-time) or pursuant to the AUMA. For purposes of this chapter, "medical/nonmedical cannabis" does not include industrial hemp as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- D. "Canopy" means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site. The plant canopy does not need to be continuous on any premises in determining the total square footage which will be subject to tax.
- E. "Caregiver" or "primary caregiver" has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.
- F. "Chief of police" shall mean the chief of police of the city, including his or her designee.
- G. "City" shall mean the City of Blythe, a California general law city.
- H. "City manager" shall mean the city manager of the city, including his or her designee.

- I. "Code" shall mean the Blythe Municipal Code.
- J. "Commercial cannabis activity" includes cultivation, manufacture, processing, laboratory testing, transporting, delivery, distribution, or sale of medical/nonmedical cannabis or a medical/nonmedical cannabis product, within the meaning of California Business and Professions Code section 19300.5 and/or California Business and Professions Code section 26050 et seq.
- K. "Commercial cannabis business" means any business or operation which engages in either/or medical or nonmedical commercial cannabis activity.
- L. "Commercial cannabis business permit" or "permit" means a regulatory permit issued by the city pursuant to this chapter to a commercial cannabis business and is required before any medical/nonmedical commercial cannabis activity may be conducted in the city. The initial permit and annual renewal of a commercial cannabis business permit is made expressly contingent upon the business's ongoing compliance with all of the requirements of this chapter and any regulations adopted by the city governing the commercial cannabis activity at issue.
- M. "Cultivation" means any activity, whether occurring indoors or outdoors, involving the propagation, planting, growing, harvesting, drying, curing, grading, and/or trimming of cannabis plants or any part thereof for any purpose, including marijuana. Indoor cultivation is limited to cultivation using exclusively artificial lighting, while outdoor cultivation is limited to cultivation using no artificial lighting. Mixed-light cultivation, or cultivation that uses a combination of natural and supplemental artificial light, is considered outdoor cultivation for purposes of this chapter.
- N. "Cultivation site" means a facility where cannabis is cultivated, propagated, planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, and where the operator holds a valid commercial cannabis business permit for cultivation from the city and a valid state license to cultivate cannabis as required by state law.
- O. "Department" or "DCC" means the State of California Department of Cannabis Control and includes any successor department or agency thereto.
- P. "Dispensing" means any activity involving the retail sale of cannabis or cannabis products from a storefront retailer.
- Q. "Distribution" means the procurement, sale, and transport of medical/nonmedical cannabis or medical/nonmedical cannabis products between entities licensed pursuant to state law.
- R. "Distributor" means a person holding a valid commercial cannabis business permit for distribution issued by the city and a valid state license for distribution, required by state law to engage in the business of purchasing medical/nonmedical cannabis from a licensed cultivator, or medical/nonmedical cannabis products from a license manufacturer, for sale to a licensed dispensary.
- S. "Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

- T. “Edible cannabis product” means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.
- U. “Live plants” means living cannabis flowers and plants, including seeds, sprouts, immature plants (including unrooted clones), and vegetative stage plants.
- V. “Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of manufactured medical/nonmedical cannabis, as defined in this chapter, or medical/nonmedical cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages medical/nonmedical cannabis or medical/nonmedical cannabis products or labels or relabels its container, where the operator holds a valid commercial cannabis business permit for manufacturing from the city and a valid state license issued by the department.
- W. “Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate or manufactured product intended for internal consumption or topical application.
- X. “Manufacturing site” means a location that produces, prepares, propagates, or compounds medical/nonmedical cannabis or medical/nonmedical cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid commercial cannabis business permit for manufacturing from the city and a valid state license as required for manufacturing of medical/nonmedical cannabis products.
- Y. “Marijuana” means “cannabis,” as that term is defined in this chapter.
- Z. “Microbusiness” shall have the same definition as California Business and Professions Code section 26070 as it may be amended, and which means a business that engages in the cultivation of cannabis on an area less than ten thousand square feet and permitted to act as a licensed distributor, Level 1 manufacturer, and retailer under the California Business and Professions Code and this chapter, provided such licensee can demonstrate compliance with all requirements imposed by the California Business and Professions Code and this chapter on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the licensee engages in such activities.
- AA. “Patient” or “qualified patient” shall have the same definition as California Health and Safety Code section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health and Safety Code section 11362.5. For purposes of this chapter, qualified patient shall include a person with an identification card, as that term is defined by California Health and Safety Code section 11362.7 et seq.

- BB. "Person" means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.
- CC. "Person with an identification card" shall have the meaning given that term by California Health and Safety Code section 11362.7.
- DD. "Premises" means the designated structure(s) and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity as defined in subdivision (f) of Section 19300.5 of the California Business and Professions Code will be or is conducted. The premises shall be contiguous and shall only be occupied by one licensee.
- EE. "State license" means a permit or license issued by the department to engage in commercial cannabis activity.
- FF. "Topical cannabis" means a product intended for external use. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.
- GG. "Testing laboratory" means a facility, entity, or site in the city that offers or performs tests of medical/nonmedical cannabis or medical/nonmedical cannabis products and that is both of the following:
  1. Accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state.
  2. Registered with the State Department of Public Health and is owned and operated by a person issued a valid commercial cannabis business permit for laboratory testing from the city and a valid state license (type 8) for laboratory testing as required by state law.
- HH. "Youth center" shall have the same meaning as set forth in California Health and Safety Code section 11353.1.

**5.10.060 - Commercial cannabis business permit required to engage in commercial cannabis business.**

No person may engage in any commercial cannabis business or in any commercial cannabis activity within the city including, but not limited to, cultivation, manufacture, processing, laboratory testing, transporting, dispensing, distribution, delivery or sale of medical/nonmedical cannabis or a medical/nonmedical cannabis product unless the person both: (1) has a valid commercial cannabis business permit from the city; and (2) is currently in compliance with all applicable state and local laws and regulations pertaining to the specific type of commercial cannabis business and the commercial cannabis business activities, including, but not limited to, holding a valid state license therefor.

**5.10.070 - Cannabis employee permit required.**

- A. Any person who is an employee or who otherwise works within a commercial cannabis business must be legally authorized to do so under applicable state law.

- B. Any person who is an employee or who otherwise works within a commercial cannabis business must obtain a commercial cannabis employee work permit from the city prior to performing any work at any cannabis business.
- C. Applications for a commercial cannabis employee work permit shall be developed and made available by the city, and shall include, but not be limited to, the following:
  - 1. Name, address, and phone number of the applicant;
  - 2. Age and verification of applicant. A copy of birth certificate or other proof that the applicant is at least twenty-one years of age must be submitted with the application;
  - 3. Name, address of the commercial cannabis businesses where the person will be employed, and the name of the primary manager of that business;
  - 4. Name, address, and contact person for any previous employers from which the applicant was fired, resigned, or asked to leave and the reasons for such dismissal or firing;
  - 5. The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the city manager;
  - 6. A signed statement under penalty of perjury that the information provided is true and correct;
  - 7. If applicable, verification that the applicant is a qualified patient or primary caregiver; and
  - 8. Payment of a fee in an amount set by resolution of the city council in an amount necessary to cover the costs of administering the employee work permit programs. The fee is non-refundable and shall not be returned in the event the work permit is denied or revoked.
- D. The chief of police shall review the application for completeness and shall conduct a background check to verify the criminal record to determine whether the applicant:
  - 1. Has been convicted of a crime that shows the applicant is dishonest or untrustworthy;
  - 2. Has been convicted of a felony or misdemeanor involving fraud, deceit, or embezzlement;
  - 3. Has been convicted of a violent felony, or a crime of moral turpitude;
  - 4. Has been convicted of a crime relating to the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for medical cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996; or
  - 5. Has been convicted of a felony within the past seven (7) years, unless that felony has been dismissed, withdrawn, expunged or set aside pursuant to California Penal Code sections 1203.4, 1000 or 1385, or the applicant is currently on probation or parole for the sale, distribution, possession or manufacture of a controlled substance. A conviction for a felony involving cannabis and/or marijuana for which the underlying cannabis or marijuana offense has subsequently been designated a



misdemeanor or infraction or decriminalized pursuant to the provisions of AUMA or federal law shall not be considered.

Discovery of facts showing that the applicant has been convicted of these types of crimes is grounds for denial of the permit.

- E. The city manager shall issue the commercial cannabis work permit or a written denial to the applicant within ninety days of the date the application was deemed complete, provided, however, that failure to do so shall not result in the application being deemed approved.
- F. A work permit shall be valid for a thirty-six month period and must be renewed sixty days prior to expiration. Renewal applications shall contain all the information required in subsection C above including the payment of a renewal application fee in an amount set by resolution of the city council.
- G. In the event a person changes employment from one commercial cannabis business in the city to another, the work permit holder shall notify the city manager in writing of the change within ten days, or the work permit shall be suspended or revoked and such person shall not be permitted to work at any commercial cannabis business in the city.
- H. The city may immediately revoke the commercial cannabis work permit should the permit holder be convicted of a crime listed in this section or if facts become known to the city manager that the permit holder has engaged in activities showing that he or she is dishonest or untrustworthy.
- I. The city manager is hereby authorized to promulgate all regulations necessary to implement the work permit process and requirements.
- J. The applicant may appeal the denial or revocation of a commercial cannabis work permit by filing a notice of appeal with the city clerk within ten days of the date the applicant received the notice of denial, which appeal shall be conducted as set forth in Sections 5.10.140 through 5.10.160 of this chapter.
- K. The city manager shall issue a permit in the form of a personal identification card that shall be worn by the employee. The personal identification card shall be worn approximately chest-high on the employee's outermost garment, in a prominent and visible location. The identification card shall be maintained in good and readable condition at all times.
- L. If the holder of an employee work permit fails to timely renew his/her permit, the permit will cease to be valid and he/she will be required to submit an application for a new permit, if desired as provided above. In addition to any administrative proceedings, it shall be unlawful for any person to engage in any type of employment activity with a cannabis related business without a valid employee permit.

**5.10.080 - Maximum number and type of authorized commercial cannabis businesses permitted.**

- A. The total number of adult (A-license) and/or medical (M-license) commercial cannabis business that may be permitted to operate within the city at any one given time are as follows, provided, however, that in no event shall the total

number of cannabis retail uses, including type 10 or as part of a type 12 microbusiness, exceed two:

1. Cannabis distributor (includes license classification type 11): unlimited;
  2. Cannabis manufacturer (includes license classification type 6 and 7): unlimited;
  3. Cannabis testing laboratory (includes license classification type 8): maximum of two;
  4. Cannabis retail—storefront (includes license classification type 10) and/or microbusiness holding a retail storefront license (includes license classification 12): total maximum of two;
  5. Cannabis retail—non-storefront delivery only (includes license classification type 9): prohibited;
  6. Cannabis microbusiness (includes license classification type 12): prohibited unless one of the three license types held is retail storefront; total maximum of two;
  7. Cannabis cultivation – all types (indoor only): unlimited;
- B. Storefront retailers and microbusinesses holding a retail storefront license permitted pursuant to this chapter may deliver cannabis and cannabis products within the city if authorized to do so pursuant to both the terms of their permit and license issued by the state. Such businesses shall also comply with the requirements set forth in Section 5.10.300(F). The delivery of cannabis or cannabis products within the city by any cannabis business or any person located outside of the city is prohibited.
- C. Businesses permitted pursuant to this chapter shall not engage in the retail sale, delivery or dispensing of cannabis, cannabis product, hemp or hemp products unless expressly permitted to do so pursuant to the terms of their cannabis business permit.
- D. No person may engage in any type of cannabis business that is not specifically authorized pursuant to this chapter.
- E. This section is only intended to create a maximum number of commercial cannabis businesses that may be issued permits to operate in the city under each category. Nothing in this chapter creates a mandate that the city must issue any or all of the commercial cannabis business permits, whether or not it is determined that the applicants do or do not meet the standards which are established in the application requirements or further amendments to the application process.

#### **5.10.090 - Initial application procedure.**

- A. The city council shall adopt by resolution the procedures which will govern the application process, and the manner in which the decision will ultimately be made regarding the issuance of any commercial cannabis business permit(s). The resolution shall authorize the city manager to prepare the necessary forms, adopt any necessary rules to the application, regulations and processes, solicit applications, conduct initial evaluations of the applicants, and to ultimately provide a final recommendation to the city council.

- B. At the time of filing, each applicant shall pay an application fee established by resolution of the city council, to cover all costs incurred by the city in the application process.
- C. After the initial review the city manager will make a recommendation to the city council, and the city council shall make a final determination in accordance with Section 5.10.170.
- D. The city reserves the right to reject any or all applications. The city may also modify, postpone, or cancel any request for applications, or the entire program under this chapter, at any time without liability, obligation, or commitment to any party, firm, or organization. Persons submitting applications assume the risk that all or any part of the program, or any particular category of permit potentially authorized under this chapter, may be cancelled at any time prior to permit issuance. The city further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to any other justification provided, including a failure to comply with other requirements in this chapter, an application may be rejected for any of the following reasons:
  - 1. Proposal received after designated time and date.
  - 2. Proposal not containing the required elements, exhibits, nor organized in the required format.
  - 3. Proposal considered not fully responsive to the request for permit application.
  - 4. Proposal contains excess or extraneous material not called for in the request for permit application.

#### **5.10.100 - Expiration of commercial cannabis business permits.**

Each commercial cannabis business permit issued pursuant to this chapter shall expire twelve months after the date of its issuance. Commercial cannabis permits may be renewed as provided in Section 5.10.120.

#### **5.10.110 - Revocation of permits.**

Commercial cannabis business permits may be revoked for any violation of any applicable law, rule, regulation and/or standard, including, but not limited to, those adopted pursuant to this chapter.

#### **5.10.120 - Renewal applications.**

- A. An application for renewal of a commercial cannabis business permit shall be filed at least sixty calendar days prior to the expiration date of the current permit.
- B. The renewal application shall contain all the information required for new applications.

- C. The applicant shall pay a fee in an amount to be set by the city council to cover the costs of processing the renewal permit application, together with any costs incurred by the city to administer the program created under this chapter.
- D. An application for renewal of a commercial cannabis business permit shall be rejected if any of the following exists:
  - 1. The application is filed less than sixty days before its expiration.
  - 2. The commercial cannabis business permit is suspended or revoked at the time of the application.
  - 3. The commercial cannabis business has not been in regular and continuous operation in the four months prior to the renewal application.
  - 4. The commercial cannabis business has failed to conform to the requirements of this chapter, or of any regulations adopted pursuant to this chapter.
  - 5. The permittee fails or is unable to renew its State of California license.
  - 6. If the city or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this chapter, of this code, or of the state rules and regulations, and the city or state has determined that the violation is grounds for termination or revocation of the commercial cannabis business permit.
- E. The city manager is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the city manager is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the city manager are subject to Section 5.10.140.
- F. If a renewal application is rejected, a person may file a new application pursuant to this chapter no sooner than one year from the date of the rejection.

#### **5.10.130 - Effect of state license suspension, revocation, or termination.**

Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a commercial cannabis business to operate within the city, until the State of California, or its respective department or division, reinstates or reissues the state license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a commercial cannabis business, such revocation or termination shall also revoke or terminate the ability of a medical/nonmedical cannabis business to operate within the city.

#### **5.10.140 - Appeals from decisions of the city manager under this chapter.**

Unless specifically provided to the contrary elsewhere in this code, whenever an appeal is provided for in this chapter from a decision of the city manager, the appeal shall be conducted as prescribed in this chapter. The suspension and/or revocation of a permit

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based on the suspension and/or revocation of a license issued by the state pursuant to Section 5.10.130 shall not be an appealable decision pursuant to this chapter.

**5.10.150 - Written request for appeal.**

- A. Within ten calendar days after the date of a decision of the city manager to revoke, suspend or deny a permit, or to add conditions to a permit, an aggrieved party may appeal such action by filing a written appeal with the city clerk setting forth the reasons why the decision was not proper.
- B. At the time of filing, the appellant shall pay the designated appeal fee, as established by resolution of the city council from time to time.

**5.10.160 - Appeal hearing.**

- A. Upon receipt of the written appeal, the city clerk shall set the matter for a hearing before the city council. The city council shall hear the matter de novo, and shall conduct the hearing pursuant to the procedures set forth by the city.
- B. The appeal shall be held within a reasonable time after the filing of the appeal in the discretion of the city manager.
- C. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.
- D. At the conclusion of the hearing, the city council may affirm, reverse, remand or modify the decision appealed. The decision of the city council shall be final and judicial review thereof shall be subject to the provisions of Sections 1094.5 and 1094.6 of the California Code of Civil Procedure.

**5.10.170 - Permittee selection process.**

- A. The city council shall adopt by resolution a procedure guideline by which the top applicants in each category of each commercial cannabis business will be presented to the city council for a final determination at a public meeting.
- B. The top final applicants for each category may be invited to attend the city council meeting, where they may be expected to make a public presentation introducing their team and providing an overview of their proposal. In order to provide adequate time, presentations may be divided over more than one meeting over multiple days as determined to be necessary.
- C. The city council shall either deny or approve the final candidates and shall select the top candidates in each category of the commercial cannabis businesses. The city council's decision as to the selection of the prevailing candidates shall be final.
- D. Official issuance of the commercial cannabis business permit(s), however, is conditioned upon the prevailing candidate(s) obtaining all required land use approvals. Following the council's selection, the prevailing candidate(s) shall apply to the city's planning department to obtain any required land use approvals or entitlements for the permittee's location, if any. Land use

approvals shall include compliance with all applicable provisions of CEQA. The city manager shall formally issue the commercial cannabis business permit(s) once the city manager and planning and building services director both affirm that all of the required land use approvals have been obtained.

- E. Issuance of a commercial cannabis business permit does not create a land use entitlement. The commercial cannabis business permit shall only be for a term of twelve months, and shall expire at the end of the twelve-month period unless it is renewed as provided herein. Furthermore, no permittee may begin operations, notwithstanding the issuance of a permit, unless all applicable state and local laws and regulations, including, but not limited to, the requirements of this chapter and of the permit, have been complied with.
- F. Notwithstanding anything in this chapter to the contrary, the city council reserves the right to reject any or all applications if it determines it would be in the best interest of the city, taking into account any health, safety and welfare impacts on the community. Applicants shall have no right to a commercial cannabis business permit until a permit is actually issued, and then only for the duration of the permit's term. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the city council may terminate or delay the program created under this chapter.
- G. If an application is denied, a new application may not be filed for one year from the date of the denial.
- H. Each person granted a commercial cannabis business permit shall be required to pay the permit fee established by resolution of the city council, to cover the costs of administering the commercial cannabis business permit program created in this chapter.

#### **5.10.180 - Permit-non-assignable and non-transferable.**

- A. A commercial cannabis business permit issued under this chapter is valid only to the approved permittee at the specified approved location, and is therefore non-transferable to other persons, entities, projects or locations, without the filing of a new application.
- B. No commercial cannabis business permit may be sold, transferred or assigned by a permittee, or by operation of law, to any other person, persons, or entities. In the event a permittee desires to sell or transfer the business to a new owner and/or operate the business under a new entity and/or name not listed on the commercial cannabis business permit, the new owner must first obtain a new commercial cannabis business permit prior to commencing or continuing operations.
- C. A commercial cannabis business shall be deemed to have transferred to a new owner within the meaning of the prohibition of this section if the natural person(s) and/or the entity(ies) with controlling interest at the time the commercial cannabis business permit was first issued either cease(s) at any time to possess controlling ownership interest or possesses an ownership interest of less than 51%. When a corporate entity, including, but not limited to, one set forth in California Corporations Code section 28034, has an ownership interest in a commercial cannabis business, for purposes of determining

whether or not a prohibited transfer has occurred notwithstanding the fact that the corporate entity itself retains its ownership interest, all entities and individuals with a financial or ownership interest in the entity of at least 20% shall be considered as having a controlling interest in the commercial cannabis business, including, but not limited to, all entities in a multilayer business structure, as well as the chief executive officer, members of the board of directors, partners, trustees and all persons who have control of a trust, and managing members or nonmember managers of the entity, as applicable, regardless of percentage of financial or ownership interest.

- D. To obtain a new commercial cannabis business permit as required pursuant to this section, the new owner shall comply with the applicable policies and procedures established by resolution of the city council pursuant to Section 5.10.090 and applicable regulations established pursuant to Section 5.10.350 and pay the applicable fee established by resolution of the city council.

#### **5.10.190 - Change in location of commercial cannabis business.**

- A. No permittee may operate at a location other than the location approved and specified in the commercial cannabis business permit. Operating at a location other than that specified in the commercial cannabis business permit in violation of this section shall invalidate the commercial cannabis business permit.
- B. For all commercial cannabis business permits, no permittee shall change the location of the commercial cannabis business specified in the permit unless and until the change of location is approved by the city and the commercial cannabis business permit is amended accordingly.
- C. To change the location of a commercial cannabis business, the permittee shall comply with all applicable policies and procedures established by resolution of the city council pursuant to Section 5.10.090 and applicable regulations established pursuant to Section 5.10.350 and pay the applicable fee as established by resolution of the city council.

#### **5.10.200 - Changes in name of business only.**

No permittee may conduct, manage, engage in, or carry on a commercial cannabis business under any name other than the name specified in the commercial cannabis business permit and/or any “doing business as” or “DBA” or “fictitious business name” or “FBN” on file with the County of Riverside and provided in the permit application and/or business license without first obtaining approval to amend the commercial cannabis business permit. Any approved changes and/or updates to the commercial cannabis business permit shall require payment of fees as set by resolution of the city council.

#### **5.10.210 - City business license.**

Prior to commencing operations, a commercial cannabis business shall obtain a city business license.

#### **5.10.220 - Building permits and inspection.**

Prior to commencing operations, a commercial cannabis business shall be subject to a mandatory building inspection, and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes, but is not limited to, obtaining any required building permit(s), fire marshal approvals, health department approvals and other zoning and land use permit(s) and approvals.

#### **5.10.230 - Right to occupy and to use property.**

As a condition precedent to the city's issuance of a commercial cannabis business permit pursuant to this chapter, any person intending to open and to operate a commercial cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from another person, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this chapter and consents to the operation of the commercial cannabis business on the owner's property.

#### **5.10.240 - Limitations on city's liability.**

To the fullest extent permitted by law, the city shall not assume any liability whatsoever with respect to having issued a commercial cannabis business permit pursuant to this chapter or otherwise approving the operation of any commercial cannabis business. As a condition to the approval of any commercial cannabis business permit, the applicant shall be required to meet all of the following conditions before they can receive the commercial cannabis business permit:

- A. Execute an agreement, in a form approved by the city attorney, agreeing to indemnify, defend (at applicant's sole cost and expense and with attorneys of city's choosing), and hold the city, and its officers, officials, employees, representatives, and agents, harmless from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the city's issuance of the commercial cannabis business permit, the city's decision to approve the operation of the commercial cannabis business or activity, the process used by the city in making its decision, or the alleged violation of any federal, state or local laws by the commercial cannabis business or any of its officers, employees or agents.
- B. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the city attorney.
- C. Reimburse the city for all costs and expenses, including but not limited to, attorneys' fees and costs and court costs, which the city may be required to pay as a result of any legal challenge related to the city's approval of the applicant's commercial cannabis business permit or related to the city's approval of a commercial cannabis activity and otherwise set forth in



subsection A. The city may, in its sole discretion, participate at its own initial expense in the defense of any such action, but such participation shall not relieve any of the reimbursement obligations imposed hereunder.

#### **5.10.250 - Records and recordkeeping.**

- A. Each owner and operator of a commercial cannabis business shall maintain accurate books and records, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a commercial cannabis business permit issued pursuant to this chapter), or at any time upon reasonable request of the city, each commercial cannabis business shall file a sworn statement detailing the number of sales by the commercial cannabis business during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid.
- B. Each owner and operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the commercial cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the commercial cannabis business. The register required by this paragraph shall be provided to the city manager upon a reasonable request.
- C. Each commercial cannabis business shall maintain a record of all persons served by the commercial cannabis business, for a period of no less than four years.
- D. All commercial cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until purchase by or distribution to a person authorized to purchase or receive such cannabis.
- E. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA) regulations, each commercial cannabis business shall allow city officials to have access to the business's books, records, and accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents shall be produced no later than twenty-four hours after receipt of the city's request, unless otherwise stipulated by the city.

#### **5.10.260 - Security measures.**

- A. A permitted commercial cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the commercial cannabis business. Except as may

otherwise be determined by the city manager, these security measures shall include, but shall not be limited to, all of the following:

1. Preventing individuals from remaining on the premises of the commercial cannabis business if they are not engaging in an activity directly related to the permitted operations of the commercial cannabis business.
  2. Establishing limited access areas accessible only to authorized commercial cannabis business personnel.
  3. Except for live growing plants which are being cultivated at a cultivation facility, all medical/nonmedical cannabis and medical/nonmedical cannabis products shall be stored in a secured and locked room, safe, or vault. All medical/nonmedical cannabis and medical/nonmedical cannabis products, including live plants which are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes or for immediate sale at a storefront retailer.
  4. Installing twenty-four-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the commercial cannabis business which are open and accessible to the public, and all interior spaces where cannabis, cash or currency is being stored for any period of time on a regular basis. The commercial cannabis business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the chief of police and the Blythe police department, and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the chief of police and the police department. Video recordings shall be maintained for a minimum of forty-five days, and shall be made available to the city manager upon request.
  5. Sensors shall be installed to detect entry and exit from all secure areas.
  6. Panic buttons shall be installed in all commercial cannabis businesses.
  7. Having a professionally installed, maintained, and monitored alarm system.
  8. Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building.
  9. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services and shall be subject to the prior review and approval of the chief of police, with such approval not to be unreasonably withheld.
  10. Each commercial cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
- B. Each commercial cannabis business shall identify a designated security representative/liaison to the city, who shall be reasonably available to meet with the chief of police regarding any security related measures or and operational issues.

#### **5.10.270 - Restriction on alcohol sales.**

No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the commercial cannabis business.

#### **5.10.280 - Fees and charges.**

- A. No person may commence or continue any commercial cannabis activity in the city, without timely paying in full all fees and charges required for the operation of a commercial cannabis activity. Fees and charges associated with the operation of a commercial cannabis activity shall be established by resolution of the city council which may be amended from time to time.
- B. All commercial cannabis businesses authorized to operate under this chapter shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each commercial cannabis businesses shall cooperate with city with respect to any reasonable request to audit the commercial cannabis business's books and records for the purpose of verifying compliance with this section, including, but not limited to, a verification of the amount of taxes required to be paid during any period.

#### **5.10.290 - Miscellaneous operating requirements applicable to all commercial cannabis businesses.**

- A. Hours of Operation. Retail commercial cannabis businesses may be open for access to the public only between the hours of six a.m. and ten p.m. Monday through Sunday unless reduced hours are specified in the commercial cannabis business permit. Other commercial cannabis businesses may operate only during the hours specified in the commercial cannabis business permits issued by the city.
- B. Restriction on Consumption. Cannabis shall not be consumed into the human body on the premises of any commercial cannabis business.
- C. Except for depictions of the cannabis leaf, no cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a commercial cannabis business permit, or on any of the vehicles owned or used as part of the commercial cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.
- D. Reporting and Tracking of Product and of Gross Sales. Each commercial cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the city. The commercial cannabis business shall ensure that such information is compatible with the city's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be

- approved and authorized by the city manager prior to being used by the permittee.
- E. All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with state and local regulations.
  - F. There shall not be any firearms on the permitted premises by an owner, manager, employee, volunteer or vendor other than those individuals authorized as a state licensed security personnel and have been approved by the chief of police.
  - G. There shall not be a physician located in or around any commercial cannabis business at any time for the purpose of evaluating patients for the issuance of a medical marijuana prescription or card where applicable.
  - H. Prior to dispensing medical cannabis or medical cannabis products to any person, the commercial cannabis business shall obtain verification from the recommending physician that the person requesting medical cannabis or medical cannabis products is a qualified patient.
  - I. Emergency Contact. Each commercial cannabis business shall provide the city manager with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.
  - J. Signage and Notices.
    - 1. In addition to the requirements otherwise set forth in this section, business identification signage for a commercial cannabis business shall conform to the requirements of this code, including, but not limited to, obtaining a city sign permit.
    - 2. Each entrance to a commercial cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises of any commercial cannabis businesses or elsewhere in the city other than within private residences is prohibited.
    - 3. Business identification signage shall be limited to that needed for identification only, and shall not contain any information that advertises or lists the services or the products offered. No commercial cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the commercial cannabis business or elsewhere including, but not limited to, the public right-of-way.
    - 4. Except for temporary banners, no banners, flags, or other prohibited signs shall be used at any time.
    - 5. Holders of commercial cannabis business permits agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the holder of the permit shall be prohibited from advertising any commercial cannabis business located in the city utilizing a billboard (fixed or mobile) within the city, or on a bus shelter, placard, aircraft, or other similar forms of advertising anywhere within city limits. This paragraph is not intended to place limitations on the ability of a commercial cannabis

business to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.

K. Minors.

1. Persons under the age of twenty-one years shall not be allowed on the premises of a non-medical commercial cannabis business, and persons under the age of eighteen years shall not be allowed on the premises of a medical cannabis business. Those persons with a valid physician's recommendation to purchase medical cannabis who are between the ages of eighteen and twenty-one years are allowed on non-medical commercial cannabis business premises if the business also has a valid medical cannabis license. It shall be unlawful and a violation of this title for any person to employ any person at a commercial cannabis business who is not at least twenty-one years of age.
2. The entrance to a non-medical commercial cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one years of age is permitted to enter upon the premises of the commercial cannabis business. The entrance to a medical commercial cannabis business shall be clearly and legibly posted with a notice that no person under the age of eighteen years of age is permitted to enter upon the premises of the commercial cannabis business. The entrance to a business that is both a medical and non-medical cannabis business shall be clearly and legibly posted with both signs that also indicate their applicability to medical and non-medical customers.

L. Odor Control. Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from cannabis are not detectable off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the commercial cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. As such, commercial cannabis businesses must install and maintain the following equipment, or any other equipment which the city manager determines is a more effective method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
2. An air system that creates negative air pressure between the commercial cannabis business's interior and exterior, so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.

M. Display of Permit and City Business License. The original copy of the commercial cannabis business permit issued by the city pursuant to this chapter and the city issued business license shall be posted inside the commercial cannabis business in a location readily visible to the public.

- N. **Background Check.** Pursuant to California Penal Code sections 11105(b)(11) and 13300(b)(11), every person listed as an owner, manager, supervisor, employee or volunteer, of the commercial cannabis business must submit fingerprints and other information deemed necessary by the chief of police for a background check by the Blythe police department.

No person shall be issued a permit to operate a commercial cannabis business or a related work permit unless they have first cleared the background check, as determined by the chief of police, as required by this chapter. A fee for the cost of the background investigation, which shall be the actual cost to the city to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business permit is submitted.

- O. **Loitering.** The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty feet of the premises.
- P. **Permits and other Approvals.** Prior to the establishment of any commercial cannabis business or the operation of any such business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.
- Q. **Additional Requirements.** The city manager may develop other commercial cannabis business operational requirements or regulations as are determined to be necessary to protect the public health, safety and welfare.

#### **5.10.300 - Additional operating requirements for retailers.**

- A. Owners and operators are required to verify the age and the necessary documentation of each medical customer to ensure the customer is not under the age of eighteen years, and to verify that the potential customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the storefront retailer. Any retail customer who purchases cannabis or cannabis products for nonmedical use shall verify that they are at least twenty-one years of age or older at the time of purchase.
- B. Entrances into the storefront retailer shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the storefront retailer, to separate it from the reception/lobby area.
- C. Uniformed licensed security personnel shall be employed and will be required to carry a firearm to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. The chief of police at his/her discretion may modify or amend the requirement of requiring security personnel to carry a firearm which shall be specified in the terms of the regulatory permit.

- D. Storefront retailers may have on-site, in the retail sales area of the storefront retailer, only that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand readily available for sale.
- E. All restroom facilities shall remain locked and under the control of management.
- F. Additional operating requirements for retail—storefront businesses providing delivery of cannabis or cannabis products. Every business that sells and/or delivers cannabis and/or cannabis products as a storefront retailer shall comply with the following requirements:
  - 1. Commercial cannabis retail deliveries may be made only from a commercial cannabis retail business permitted by the city in compliance with this chapter, and in compliance with all state regulations.
  - 2. All employees who deliver cannabis shall have valid identification and a copy of the retail business’s cannabis business permit and state license at all times while making deliveries.
  - 3. All commercial cannabis retail businesses shall obtain and maintain at all times during the term of the permit comprehensive automotive liability insurance protecting the permittee in an amount of not less than one million dollars (\$1,000,000.00) per occurrence, combined single limit, including bodily injury and property damage and not less than two million dollars (\$2,000,000.00) aggregate for each personal injury liability and each accident, issued by an insurance provider rated at least A-:VIII in A.M. Best and Company’s Insurance Guide and either admitted and authorized to do business in California or is listed on the California Department of Insurance’s List of Approved Surplus Line Insurers. The city shall be named as an additional insured on such insurance policy and a certificate of such insurance shall be provided to the city prior to commencing operations.
  - 4. Deliveries may only take place during normal business hours of the commercial cannabis retail business.
  - 5. During delivery, the delivery employee shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers. The delivery request documentation shall comply with state law.
  - 6. A licensed delivery employee shall not leave the State of California while possessing cannabis products while performing his or her duties for the cannabis retailer.
  - 7. A commercial cannabis retail business shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered, and any other information required by the state.
  - 8. A manifest with all information required in this section shall accompany any delivery person at all times during the delivery process and delivery hours.
  - 9. Any delivery method shall be made in compliance with state law, as amended, including use of a vehicle that has a dedicated GPS device for

identifying the location of the vehicle (cell phones and tablets are not sufficient).

10. Each delivery request shall have a receipt prepared by the commercial cannabis retail business with the following information:
  - a. Name and address of the commercial cannabis retail business.
  - b. The name of the employee who delivered the order.
  - c. The date and time the delivery request was made.
  - d. The complete delivery address.
  - e. A detailed description of the cannabis goods requested for delivery including the weight or volume, or any accurate measure of the amount of cannabis goods requested.
  - f. The total amount paid for the delivery including any fees or taxes.
  - g. At the time of the delivery, the date and time the delivery was made, and the signature of the person who received the delivery.
11. No cannabis delivery vehicle shall display signs, decals or any other form of advertisement.
12. Inspections by an authorized city representative may be conducted anytime during regular business hours.
13. Delivery must be made to a physical address that is not on publicly owned land, a school, a day care, or a youth center.
14. The delivery employee shall not carry cannabis goods valued in excess of five thousand dollars (\$5,000.00) at any time with no more than three thousand dollars (\$3,000.00) of cannabis goods that are not already part of a customer order that was processed prior to leaving the premises.
15. Delivery must be made in person by a direct employee of the licensed retailer. An independent contractor, third-party courier service, or an individual employed through a staffing agency shall not be considered directly employed by the licensed retailer.

#### **5.10.310 - Operating requirements for cultivation facilities.**

- A. The cultivation of all cannabis must occur indoors. All outdoor cultivation is prohibited.
- B. In no case shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.
- C. If a storefront retailer is authorized to include cultivation activities, the storefront retailer may have only one cultivation site upon which cannabis is cultivated, produced, stored, harvested, manufactured, or packaged, and each of the storefront retailer and the cultivation site must be separately permitted pursuant to this chapter.
- D. If cultivation is permitted, then the business shall only cultivate the square feet of canopy space permitted by state law.
- E. Cannabis cultivation shall be conducted in accordance with state, local, and federal laws, rules and regulations related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.



- F. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.
- G. In no case shall any hazardous, flammable or explosive substances be used to process or manufacture cannabis products on site.
- H. The cultivation of cannabis shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the commercial cannabis business, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated; to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis.
- I. All applicants for a cannabis cultivation permit shall submit the following in addition to the information generally otherwise required for a commercial cannabis business:
  - 1. A cultivation and operations plan that meets or exceeds minimum legal standards and all state, local and federal rules and regulations for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting.
  - 2. A description of a legal water source, irrigation plan, and projected water use.
  - 3. Identification of the source of electrical power and plan for compliance with applicable building codes and related codes.
  - 4. Plan for addressing odor and other public nuisances which may derive from the cultivation site.

**5.10.320 - Cannabis manufacturing: edibles and other cannabis products; sale or distribution of edible and other cannabis products.**

The manufacturing of food or other products infused with or which otherwise contain cannabis may be manufactured within the appropriate manufacturing zoning districts as described in Chapter 17.63E (Commercial Cannabis Related Uses and Activity) of Title 17 of this code, subject to the regulations set forth in this chapter, and subject to whatever additional regulations may be promulgated hereunder by an ordinance or resolution of the city council.

### **5.10.330 - Packaging and labeling.**

- A. Before a commercial cannabis manufacturer delivers any edible cannabis or edible cannabis product to a storefront retailer, the same shall be labeled and placed in tamper-evident packaging which at least meets the requirements of California Business and Professions Code section 19347, as the same may be amended from time to time or superseded or replaced by subsequent state legislation or by any department or division of the State of California.
- B. All items to be sold or distributed shall be individually wrapped at the original point of preparation by the business permitted as a commercial cannabis manufacturer.
- C. Labeling must include a warning if nuts or other known allergens are used, and must include the total weight (in ounces or grams) of cannabis in the package.
- D. A warning that the item is a medication and not a food must be clearly legible on the front of the package and/or must comply with state packing requirements.
- E. The package must have a label warning that the product is to be kept away from children.
- F. The label must also state that the product contains cannabis and must specify the date of manufacture.
- G. Any edible cannabis product that is made to resemble a typical food product must be in a properly labeled opaque (non-see-through) package before it leaves the commercial cannabis manufacturing business.
- H. The city council may impose additional packaging and labeling requirements on cannabis or cannabis products by resolution, as permitted by law.

### **5.10.340 - Operating requirements for cannabis manufacturing (levels one and two): extraction, etc.**

- A. Cannabis manufacturing facilities requiring a type 6 or type 7 state license (using non-volatile and volatile solvents), as defined in California Business and Professions Code section 19341, may be permitted to operate within those zone districts as defined in Chapter 17.63E (Commercial Cannabis Related Uses and Activity) of Title 17 of this code.
- B. Any compressed gases used in the manufacturing process shall not be stored on any property within the city in containers that exceed one hundred fifty pound tanks in size. Each site or parcel subject to a commercial cannabis permit shall be limited to a total of eight tanks on the property at any time.
- C. Cannabis manufacturing facilities are limited to certain methods, equipment, solvents, gases and mediums when creating cannabis extracts.
- D. Cannabis manufacturing facilities may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human-related toxicity approved by the community development department. These solvents must be of at least ninety-nine

- percent purity and any extraction process must use them in a professional grade closed loop extraction system designed to recover the solvents, work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.
- E. Any extraction process must use a professional grade closed loop CO<sub>2</sub> gas extraction system where every vessel is rated to a minimum of six hundred pounds per square inch. The CO<sub>2</sub> must be of at least ninety-nine percent purity.
  - F. Closed loop systems for hydrocarbon or CO<sub>2</sub> extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.
  - G. Certification from a licensed engineer must be provided to the community development department for professional grade closed loop systems used by any cannabis manufacturing system to certify that the system was commercially manufactured, safe for its intended use, and built to codes of recognized and generally accepted good engineering practices, such as:
    - 1. The American Society of Mechanical Engineers (ASME);
    - 2. American National Standards Institute (ANSI);
    - 3. Underwriters Laboratories (UL); or
    - 4. The American Society for Testing and Materials (ASTM)
  - H. The certification document must contain the signature and stamp of a professional engineer and serial number of the extraction unit being certified.
  - I. Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the fire department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.
  - J. Cannabis manufacturing facilities may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.
  - K. Cannabis manufacturing facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create extracts. All ethanol must be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.
  - L. Cannabis manufacturing facilities creating marijuana extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace. Any person using solvents or gases in a closed looped system to create marijuana extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.
  - M. Parts per million for one gram of finished extract cannot exceed five hundred parts per million of residual solvent or gas when quality assurance tested.

#### **5.10.350 - Promulgation of regulations, standards and other legal duties.**

- A. In addition to any regulations adopted by the city council, the city manager is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of commercial cannabis business permits, the ongoing operation of commercial cannabis businesses and the city's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.
- B. Regulations shall be published on the city's website.
- C. Regulations promulgated by the city manager shall become effective upon date of publication. Commercial cannabis businesses shall be required to comply with all state and local laws and regulations, including, but not limited to, any rules, regulations or standards adopted by the city manager.

**5.10.360 - Community relations.**

- A. Each commercial cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the commercial cannabis business can be provided. Each commercial cannabis business shall also provide the above information to all businesses and residences located within one hundred feet of the commercial cannabis business.
- B. The owner, manager and community relations representative from each commercial cannabis business shall meet with the city manager yearly or as requested by the city manager to discuss the costs, benefits and other community issues arising as a result of implementation of this chapter.
- C. Commercial cannabis businesses to which a permit is issued pursuant to this chapter shall develop and make available to youth organizations and educational institutions a public education plan that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

**5.10.370 - Fees deemed debt to City of Blythe.**

The amount of any fee, cost or charge imposed pursuant to this chapter shall be deemed a debt to the city that is recoverable via an authorized administrative process as set forth in this code, or in any court of competent jurisdiction.

**5.10.380 - Permit holder responsible for violations.**

The person to whom a permit is issued pursuant to this chapter shall be responsible for all violations of the law, including, but not limited to, this code, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence. Nothing contained herein shall relieve the owner or lessee of the real property from responsibility for any violation of law occurring thereon.

**5.10.390 - Inspection and enforcement.**

- A. The city manager is charged with enforcing the provisions of this code, or any provision thereof, and may enter the location of a commercial cannabis business at any time during the hours of operation without notice, and inspect the location of any commercial cannabis business as well as any recordings and records required to be maintained pursuant to this chapter or under applicable provisions of state law.
- B. It is unlawful for any person having responsibility over the operation of a commercial cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the city to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law.
- C. The city manager may enter the location of a commercial cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the city shall be logged, recorded, and maintained in accordance with the police department standards for evidence.

**5.10.400 - Concurrent regulation with state.**

It is the stated intent of this chapter to regulate commercial cannabis activity in the city concurrently with the State of California.

**5.10.410 - Violations declared a public nuisance.**

Each and every violation of the provisions of this chapter is hereby deemed unlawful and a public nuisance.

**5.10.420 - Each violation a separate offense.**

Each and every violation of this chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by this code. Additionally, as a nuisance per se, any violation of this chapter shall be subject to injunctive relief, any permit issued pursuant to this chapter being deemed null and void, disgorgement and payment to the city of any monies unlawfully obtained, costs of abatement, costs of investigation, attorneys' fees, and any other relief or remedy available at law or in equity. The city may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis business or persons related to, associated with and/or acting in concert with, the commercial cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the city manager or the chief of police may take immediate action to temporarily suspend a commercial cannabis business permit issued by the city, pending a hearing before the city council.

#### **5.10.430 - Criminal penalties.**

Each and every violation of the provisions of this chapter may be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars or imprisonment in the county jail for a period of not more than twelve months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.

#### **5.10.440 - Remedies cumulative and not exclusive.**

The remedies provided herein are not to be construed as exclusive remedies. The city is authorized to pursue any proceedings or remedies provided by law.

**SECTION 3. Extension of Time to Comply with Delivery Requirements.** Each and every lawfully existing and operating permittee with a valid retail commercial cannabis business permit, including being in possession of a currently valid storefront retail and a non-storefront retail (delivery) license issued by the Department of Cannabis Control, shall have six months (180 days) from the effective date of this Ordinance to comply with the requirements of subsection 5.10.300(F). Failure to comply with these requirements following this six-month period shall be grounds for revocation of the permit. Nothing contained herein shall be construed to waive and/or authorize the failure to comply any applicable provision of state law, or with any other applicable provision of the Blythe Municipal Code. This Section 3 shall not be codified in the Blythe Municipal Code.

**SECTION 4. Environmental Compliance.** The City Council hereby finds that it can be seen with certainty that there is no possibility that the adoption and implementation of this Ordinance will have a significant effect on the environment. This Ordinance makes minor changes to the administrative provisions governing the City's regulations of commercial cannabis activity. The Ordinance is therefore exempt from the environmental review requirements of the California Environmental Quality Act pursuant to Section 15061(b)(3) (General Rule) of Title 14 of the California Code of Regulations.

**SECTION 5. Inconsistencies.** Any provision of the Blythe Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to affect the provisions of this Ordinance.

**SECTION 6. Severability.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Blythe hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

**SECTION 7. Effective Date.** This Ordinance shall take effect thirty (30) days after its final passage.

**SECTION 8. Certification.** The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published or posted in the manner required by law.

**PASSED, APPROVED AND ADOPTED** this 28th day of February, 2023, by the following called vote to wit:

**AYES:** DeConinck, Rodriguez, Reynolds, Halby and Burton  
**NOES:** None  
**ABSENT:** None  
**ABSTAIN:** None

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